



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-878, C-580-879, A-580-881, C-580-882]

### **Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea: Notice of Initiation and Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to a request for a changed circumstances review (CCR), the U.S. Department of Commerce (Commerce) is initiating a CCR of the antidumping duty (AD) and countervailing duty (CVD) orders on certain cold-rolled steel flat products (cold-rolled steel) and certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). Additionally, Commerce preliminarily determines that KG Steel Corporation (*dba* KG Dongbu Steel Co., Ltd.) (KG Steel) is the successor-in-interest to KG Dongbu Steel Co., Ltd. (KG Dongbu Steel). Interested parties are invited to comment on these preliminary results.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Natasia Harrison, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1240.

### **SUPPLEMENTARY INFORMATION:**

Background

On July 25, 2016, Commerce published the AD and CVD orders on CORE from Korea in the *Federal Register*.<sup>1</sup> In the most recent administrative review of the *CORE AD Order*, covering the period July 1, 2019, through June 30, 2020, KG Dongbu Steel was assigned the cash deposit rate of 0.59 percent as a company not selected for individual review.<sup>2</sup> In the most recent administrative review of the *CORE CVD Order*, covering the period January 1, 2019, through December 31, 2019, KG Dongbu Steel was assigned the subsidy rate of 10.51 percent as a mandatory respondent.<sup>3</sup>

On September 20, 2016, Commerce published the AD and CVD orders on cold-rolled steel from Korea in the *Federal Register*.<sup>4</sup> In the most recent administrative review of the *Cold-Rolled Steel AD Order*, covering the period September 1, 2019, through August 31, 2020, KG Dongbu Steel was assigned the cash deposit rate of 0.00 percent as a company not selected for individual review.<sup>5</sup> In the most recent administrative review of the *Cold-Rolled Steel CVD Order*, covering the period January 1, 2019, through December 31, 2019, KG Dongbu Steel was assigned a subsidy rate of 1.93 percent as a company not selected for individual review.<sup>6</sup>

On May 27, 2022, KG Steel informed Commerce that KG Dongbu Steel had officially changed its Korean name from KG Dongbu Steel Co., Ltd. to KG Steel Corporation for purposes of its operations and sales in Korea, while at the same time maintaining its English

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<sup>1</sup> See *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016) (*CORE AD Order*); see also *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016) (*CORE CVD Order*) (collectively, *CORE Orders*).

<sup>2</sup> See *Corrosion-Resistant Steel Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2019-2020*, 86 FR 70111 (December 9, 2021).

<sup>3</sup> See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2019*, 87 FR 2759 (January 19, 2022).

<sup>4</sup> See *Cold-Rolled Steel Flat Products from Brazil, India, the Republic of Korea, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Brazil and the United Kingdom and Antidumping Duty Orders*, 81 FR 64432 (September 20, 2016) (*Cold-Rolled Steel AD Order*); see also *Certain Cold-Rolled Steel Flat Products from Brazil, India, and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order (the Republic of Korea) and Countervailing Duty Orders (Brazil and India)*, 81 FR 64436 (September 20, 2016) (*Cold-Rolled Steel CVD Order*) (collectively, *Cold-Rolled Steel Orders*).

<sup>5</sup> See *Certain Cold Rolled Steel Flat Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2019-2020*, 87 FR 15371 (March 18, 2022).

<sup>6</sup> See *Certain Cold-Rolled Steel Flat Products from the Republic of Korea: Final Results of Countervailing Duty Administrative Review; 2019*, 87 FR 20821 (April 8, 2022).

name of KG Dongbu Steel Co., Ltd. for purposes of its sales in overseas markets.<sup>7</sup> KG Steel requested the initiation of a CCR to find that KG Steel (*dba* KG Dongbu Steel in the United States) is the successor-in-interest to KG Dongbu Steel.<sup>8</sup> On July 8, 2022, Commerce extended the time period by 45 days, until August 25, 2022, for determining whether to initiate and whether to issue simultaneous preliminary determinations.<sup>9</sup> On July 14, 2022, Commerce issued a deficiency letter requesting additional information and documentation from KG Steel,<sup>10</sup> to which KG Steel timely responded.<sup>11</sup> We did not receive comments from other interested parties concerning these requests.

### Scope of the Orders

The merchandise covered by the *Cold-Rolled Steel Orders* is cold-rolled steel from Korea. The merchandise covered by the *CORE Orders* is CORE from Korea. For a full description of the merchandise covered by the scope of each order, *see* the Preliminary Decision Memorandum.<sup>12</sup>

### Initiation of Changed Circumstances Reviews

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<sup>7</sup> See KG Steel's Letter, "Notification of Company Name Change and Request for Changed Circumstances Review, If Deemed Necessary: Name Change of KG Dongbu Steel Co., Ltd.," dated May 27, 2022 (CCR Request).

<sup>8</sup> *Id.* at 3.

<sup>9</sup> See Commerce's Letter, "Request for Changed Circumstances Reviews of the Antidumping Duty and Countervailing Duty Orders on Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea: Extension of Initiation Deadline," dated July 8, 2022.

<sup>10</sup> See Commerce's Letters, "Request for Changed Circumstances Review for Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea Antidumping Orders: Deficiency Questionnaire," dated July 14, 2022; and "Request for Changed Circumstances Review for Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea Countervailing Duty Orders: Deficiency Questionnaire," dated July 14, 2022.

<sup>11</sup> See KG Steel's Letters, "Certain Corrosion Resistant Steel Products and Cold-Rolled Steel Flat Products from the Republic of Korea Changed Circumstance Review, Case Nos. A-580-878 and A-580-881: Deficiency Questionnaire Response," dated July 21, 2022 (KG Steel's AD DQR); and "Certain Corrosion Resistant Steel Products and Cold-Rolled Steel Flat Products from the Republic of Korea Changed Circumstance Review, Case Nos. C-580-879 and C-580-882: KG Steel Deficiency Questionnaire Response," dated August 2, 2022 (KG Steel's CVD DQR) (collectively, KG Steel's DQRs). KG Steel explained that KG Dongbu Steel Co., Ltd. changed its Korean name to KG Steel Corporation, however, both "Corporation" and "Co., Ltd." in English are translated as the same phrase in Korean. KG Steel explained that, in order to avoid confusion when expressing the company's name in English, they have referred to the English translation of the new KG Dongbu Steel as KG Steel "Corporation." See KG Steel's CVD DQR at 8.

<sup>12</sup> See Memorandum, "Certain Cold-Rolled Steel Flat Products and Certain Corrosion-Resistant Steel Products from the Republic of Korea: Initiation and Preliminary Results of the Changed Circumstances Reviews," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce will conduct a CCR of an order upon receipt of information or a review request from an interested party for a review of an order which shows changed circumstances sufficient to warrant a review of the order.<sup>13</sup> In the past, Commerce has used CCRs to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff (“successor-in-interest,” or “successorship,” determinations).<sup>14</sup> The information submitted by KG Steel supporting its claim that it is the successor-in-interest to KG Dongbu Steel demonstrates changed circumstances sufficient to warrant such a review.<sup>15</sup>

The information submitted by KG Steel demonstrates that its request is based solely on a change in the Korean name of the company from “KG Dongbu Steel Co., Ltd.” to “KG Steel Corporation,” approved March 24, 2022.<sup>16</sup> Moreover, the evidence submitted in support of KG Steel’s request demonstrates that KG Steel is otherwise the same business entity as KG Dongbu Steel. Therefore, in accordance with the regulation referenced above, Commerce is initiating a CCR to determine whether KG Steel is the successor-in-interest to KG Dongbu Steel.

### Preliminary Results

Commerce is permitted by 19 CFR 351.221(c)(3)(ii) to combine the notice of initiation of a CCR and the preliminary results if Commerce concludes that expedited action is warranted. In this instance, because the record contains information necessary to make a preliminary finding, we find that expedited action is warranted and have combined the notice of initiation and the preliminary results.

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<sup>13</sup> See 19 CFR 351.216(c).

<sup>14</sup> See, e.g., *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 82 FR 51605, 51606 (November 7, 2017), unchanged in *Diamond Sawblades and Parts Thereof from the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 82 FR 60177 (December 19, 2017) (*Diamond Sawblades Final*).

<sup>15</sup> See 19 CFR 351.216(d).

<sup>16</sup> See CCRs Request at 3.

Accordingly, pursuant to section 751(b) of the Act, we have conducted a successor-in-interest analysis in response to KG Steel's request. In making a successor-in-interest determination in an AD CCR, Commerce examines several factors, including, but not limited to, changes in the following: (1) management and ownership; (2) production facilities; (3) supplier relationships; and (4) customer base.<sup>17</sup> In a CVD CCR, Commerce will make an affirmative successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in the respondent's: (1) operations; (2) ownership; and (3) corporate and legal structure during the relevant period (*i.e.*, the "look-back window") that could have affected the nature and extent of the respondent's subsidy levels. While no single factor or combination of factors will necessarily provide a dispositive indication of a successor-in-interest relationship, generally, Commerce will consider the new company to be the successor to the previous company if the new company's resulting operation is not materially dissimilar to that of its predecessor.<sup>18</sup> Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise, the new company operates as essentially the same business entity as the former company, Commerce will assign the new company the cash deposit rate of its predecessor.<sup>19</sup>

In its CCR request, KG Steel provided evidence demonstrating that KG Steel's operations are not materially dissimilar from those of KG Dongbu Steel. Based on the record, we preliminarily determine that KG Steel is the successor-in-interest to KG Dongbu Steel, as the

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<sup>17</sup> See, *e.g.*, *Diamond Sawblades Final*; see also *Certain Frozen Warmwater Shrimp from India: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 37784 (August 2, 2018), unchanged in *Certain Frozen Warmwater Shrimp from India: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 83 FR 49909 (October 3, 2018) (*Shrimp from India*).

<sup>18</sup> See, *e.g.*, *Diamond Sawblades Final*; and *Shrimp from India*.

<sup>19</sup> See, *e.g.*, *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp from India*, 77 FR 73619 (December 11, 2012); see also *Notice of Initiation and Preliminary Results of Changed Circumstances Reviews: Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China*, 85 FR 5193 (January 29, 2020), unchanged in *Certain Passenger Vehicle and Light Truck Tires from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 14638 (March 13, 2020).

change in the business' Korean name was not accompanied by significant changes to its management and ownership, production, facilities, supplier relationships, or customer base. There is also no evidence of significant changes between KG Dongbu Steel and the successor-in-interest company KG Steel's operations, ownership, or corporate or legal structure during the relevant period that could have impacted the successor-in-interest company's subsidy levels.<sup>20</sup> Thus, we preliminarily determine that KG Steel operates as essentially the same business entity as KG Dongbu Steel, that KG Steel is the successor-in-interest to KG Dongbu Steel, and that KG Steel should receive the same AD and CVD cash deposit rates with respect to subject merchandise as its predecessor, KG Dongbu Steel.

For a complete discussion of the information that KG Steel provided, including business proprietary information, and the complete successor-in-interest analysis, *see* the Preliminary Decision Memorandum.<sup>21</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Should our final results remain unchanged from these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by KG Steel the AD and CVD cash deposit rates applicable to KG Dongbu Steel. Commerce will issue its final results of the review in accordance with the time limits set forth in 19 CFR 351.216(e).

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<sup>20</sup> *See* CCR Request; *see also* KG Steel's DQRs.

<sup>21</sup> *See* Preliminary Decision Memorandum.

## Public Comment

In accordance with 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than seven days after the date of publication of this notice.<sup>22</sup> Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the case briefs, in accordance with 19 CFR 351.309(d).<sup>23</sup> Parties who submit case or rebuttal briefs are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the arguments; and (3) a table of authorities.<sup>24</sup>

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 14 days of publication of this notice.<sup>25</sup> Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and the time of the hearing two days before the scheduled date.

All submissions are to be filed electronically using ACCESS, and must also be served on interested parties. An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the day it is due.<sup>26</sup> Note that Commerce has

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<sup>22</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>23</sup> Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for the filing of rebuttal briefs.

<sup>24</sup> See 19 CFR 351.309(c)(2).

<sup>25</sup> Commerce is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

<sup>26</sup> See 19 CFR 351.303(b).

temporarily modified certain requirements for serving documents containing business proprietary information, until further notice.<sup>27</sup>

Consistent with 19 CFR 351.216(e), we will issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days if all parties agree to our preliminary finding.

Notification to Interested Parties

This initiation and preliminary results notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act, and 19 CFR 351.216(b), 351.221(b) and 351.221(c)(3).

Dated: August 23, 2022.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

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<sup>27</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).



## **Appendix**

### **List of Topics Discussed in Preliminary Decision Memorandum**

- I. Summary
  - II. Background
  - III. Scope of the Orders
  - IV. Initiation And Preliminary Results of the Changed Circumstances Reviews
  - V. Successor-in-Interest Determination
  - VI. Recommendation
- [FR Doc. 2022-18585 Filed: 8/29/2022 8:45 am; Publication Date: 8/30/2022]